



**District of Columbia
Department of
Housing and
Community
Development**

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REQUEST FOR PROPOSALS

***Housing Production Trust Fund
HOME Investment Partnerships
Program (HOME)
Community Development Block
Grants (CDBG)
Low Income Housing Tax Credits
(LIHTC)***

Issue Date: July 9, 2004

Closing Date: September 3, 2004



*The District of Columbia Department of Housing and
Community Development pledges to foster the letter and
spirit of the law for achieving equal housing opportunity in
the District of Columbia.*

REQUEST FOR PROPOSALS

Housing Production Trust Fund (HPTF) HOME Investment Partnership Program (HOME) Community Development Block Grants (CDBG) Low Income Housing Tax Credits (LIHTC)

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Synopsis

The following synopsis is provided to give applicants quick access to essential information:

- Availability of \$35 million from HPTF, HOME, CDBG and LIHTC.
- Soliciting applications for new construction and rehabilitation projects: housing, commercial and community facilities.
- Schedule:
 - **Notice of Funding Availability** published: Friday, July 2, 2004.
 - **Pre-Proposal Conferences:**

Marshall Heights CDC

3939 Benning Road, NE

Date: Thursday, July 15, 2004 Time: 6:00 p.m. to 8:00 p.m.

Agenda: Discussion of the RFP process and response to questions

Mount Airy Baptist Church

1100 North Capitol Street, NW

Date: Friday, July 16, 2004, Time: 9:00 a.m. to 11:00 a.m.

Agenda: Discussion of the RFP process and response to questions.

DC Department of Housing and Community Development

801 North Capitol Street, NE

Date: Thursday, July 22, 2004 Time: 6:00 p.m. to 8:00 p.m.

Agenda: Discussion of the RFP process and response to questions.

- **Proposals Due: On or before 4 p.m., Friday, September 3, 2004. Applicants please deliver *five signed copies of the application* – an original, in a three ring binder (with each exhibit tabbed), and four stapled copies to: DHCD, Development Finance Division, 801 North Capitol Street, N.E., 2nd Floor receptionist's desk, Washington, DC 20002.**
 - Applications will be date and time-stamped and receipts will be issued.
 - **NO APPLICATIONS WILL BE ACCEPTED AFTER THE FILING DEADLINE.**

- Announcement of Selection for Underwriting Phase: **October 2004.**

- Application Completion: An application must be complete to receive consideration, or it will be rejected. This includes, but is not limited to, the following:

- Documentation fully demonstrating compliance with the Basic Eligibility Requirements (RFP, Appendix A) at the time of application on, or before September 3, 2004, must be submitted with the application in order to receive further consideration. NOTE: The Application may not be supplemented after submission.
- An individual authorized to obligate your organization must sign the Form 202 Application Summary Sheet. Unsigned applications will not be accepted. The Certification documents, including Contract Affidavit, Qualifications Statements, and Monitoring Certification Forms (all in “Exhibits” of the Application Submission Package) must also be signed.
- Members of the development team, e.g. applicant, developer, owner, etc., must not be suspended voluntarily or involuntarily from participation in any federal or District Programs. At the time of application, applicant/developer must have a certificate of good standing from the Department of Consumer and Regulatory Affairs (DCRA), and have no outstanding Federal or District obligations and/or liability or any other type of indebtedness, due to the District of Columbia including prior DHCD or (formerly lease payments or defaulted grant(s)) from the Office of Business and Economic Development loan obligations. There shall be no exceptions; violators shall be removed from consideration under the current RFP at any time this is discovered.
- If it is determined, during any stage of the review, underwriting or funding process, that the applicant or any business affiliate has any outstanding indebtedness to DHCD or the District, the applicant shall be removed from further consideration in this funding round.
- Screening of proposals for the Basic Eligibility Requirements (**Appendix A**) will be done by DHCD. The evaluation and scoring (**Appendix B1-B6**) of proposals will be conducted by an Independent Review Team. The Review Panel will make recommendations to the Department on applications to be considered for the underwriting phase of the process. The Department will make the final decision on which applications to move to the underwriting phase of the funding process.

REQUEST FOR PROPOSALS

Housing Production Trust Fund (HPTF) HOME Investment Partnership Program (HOME) Community Development Block Grants (CDBG) Low Income Housing Tax Credits (LIHTC)

I. Introduction

The District of Columbia Department of Housing and Community Development (DHCD or “Department”) requests proposals in conjunction with the July 2, 2004 published announcement of the availability of \$35 million to finance the development of affordable housing and community facilities:

- \$25 million in funding under the District’s Housing Production Trust Fund (HPTF or “Fund”);
- \$8.5 million in federal Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds; and
- \$1.5 million in federal Low Income Housing Tax Credits (LIHTC) allocation.

Through this Request for Proposals (RFP), DHCD is soliciting applications for funding for projects that will help the Department fulfill its goals of:

- Increasing the supply of decent, affordable rental and ownership housing through preservation, rehabilitation and assistance for new construction; and
- Supporting neighborhood revitalization
- and economic opportunities.

Proposals for funding may be submitted to DHCD for a specific funding source, or applicants may leave the choice of funding source up to DHCD. However, DHCD reserves the right to substitute one funding source for another in situations where the Department determines that doing so would maximize the public benefit to be derived without negatively impacting the development project.

Copies of applicable regulations are available upon request. In order to submit a fully competitive proposal and maximize the scoring potential of the application, all application filing requirements must be closely followed and all information requested in the application should be responded to completely. Applications must be received at DHCD on or before **4 p.m., September 3, 2004**. Applications must be delivered to the DHCD, Development Finance Division, 2nd Floor receptionist’s desk, 801 North Capitol Street, NE, Washington, DC 20002. A time/date clock stamp will be used and receipts will be issued at the time of submission.

No applications will be accepted after the filing deadline.

The complete RFP package for those applicants not interested in applying for LIHTC contain the following documents:

1. RFP Text with Appendices A and B (this document)
2. RFP Reference Guidebook – bound separately; and
3. DFD Financing Application Submission Package (Instructions, Application Forms); and
4. Exhibits

For those interested in applying for LIHTC, the following additional documents are available:

These LIHTC application forms are part of the DFD Financing Application.

5. Qualified Allocation Plan
6. LIHTC Program Guide
7. Compliance Manual; and
8. Exhibits

II. Available Programs and Funding Sources

Applicants may submit proposals for the DHCD financing programs identified in the RFP Reference Guidebook. **Where multiple funding sources (e.g., HPTF, HOME, etc.) are eligible sources for the proposed activity, applicants may specify the funding source(s) they prefer. However, DHCD reserves the right to allocate sources as it deems appropriate.**

III. General Program Requirements

Income limits and related maximum rents are key requirements related to those residents that the Department serves. Income limits are identified below. Maximum rents are determined by Fair Market Rents (FMR) and by funding source regulations. The RFP Reference Guidebook contains the FMR. The regulations can be accessed as follows:

- HPTF: The RFP Reference Guidebook
- CDBG/HOME: on the web at www.hud.gov¹; and hardcopy²
- LIHTC: Section 42 of the IRS Code of 1986: www.irs.gov

¹ www.hud.gov; Resources/Handbooks-forms/HUD handbooks, etc./HUDCLIPS/Shortcuts/Code of Federal Regulations; CDBG is Title 24, Part 570; HOME is Title 24, Part 92.

² Call the Superintendent of Documents Office, Government Printing Office, 202-512-1800.

A. Income Limits: CDBG and HOME funds must benefit low-income³ individuals and households with incomes of up to 80 percent of the area median income (AMI), as defined by the U.S. Department of Housing and Urban Development (HUD). In FY 2004, this figure is \$57,500 for a four-person household. The D.C. Metropolitan area median income in FY 2004 is \$85,400.) See Table 1 for the HUD CDBG and HOME income limits for all household sizes. For income limits for LIHTCs, see the RFP Reference Guidebook.

Table 1: CDBG & HOME Income Limits (2004)

Household Size	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
Maximum income 30%	18250	20900	23500	26100	28200	30300	32350	34450
Maximum income 50% ⁴	30450	34800	39150	43500	47000	50450	53950	57400
Maximum income 60%	36540	41760	46980	52200	56400	60540	64740	68880
Maximum income 80% ⁴	40250	46000	51750	57500	62100	66700	71300	75900
Uncapped Low Income ⁵ Limit ⁶	47800	54700	61500	68300	73800	79300	84700	90200

Alternately, a CDBG-funded project must benefit a low-income community (an area in which at least 51 percent of the residents are low-income, and the activity will benefit them primarily), or a limited clientele (e.g., homeless persons) that are presumed to be primarily low-income.

HOME funds also may benefit households with incomes of up to 80 percent of the area median income, as shown in Table 1. HOME regulations specify that 90 percent of the total households assisted through the rental program have incomes that do not exceed 60 percent of the area median income. The balance of the rental units must assist tenants with incomes that do not

³ The CDBG program uses the terms “low” and “moderate” income, while all other HUD programs use the terms “very low” and “low” income to describe the same population. To be consistent, this RFP uses the terms “very low” and “low”. Unless otherwise specified, “low income” means an income of up to 80 percent of the area median income.

⁴ “Very Low Income” for HOME, and “Low Income” for CDBG.

⁵ “Low Income” for HOME, and “Moderate Income” for CDBG.

⁶ DHCD generally uses the definitions as stated in footnotes 1 and 2 above for “low income”. However, since 1999 HUD has exempted DC from these “low-income”, and has allowed the use of “uncapped limits” i.e. 80% of the actual median DC income. DC reserves the right to allow the use of uncapped income limits for a CDBG or HOME-funded project.

exceed 80 percent of the area median income. In addition, in projects of five or more HOME-assisted units, families who have annual incomes that are 50 percent or less of the median income must occupy at least 20 percent of the HOME-assisted rental units.

The relevant income limits are shown in Table 1.

The HPTF income eligibility limits, unlike the CDBG and HOME Program income eligibility limits, are calculated against a true percentage of the four-person Area Median Income (AMI) published by HUD, without the adjustments that HUD makes. **Eighty percent of median income is calculated as a true 80 percent of the FY 2004 AMI of \$85,400, 50% percent of median income is calculated as a true 50 percent of \$85,400, and so on.** DHCD further adjusts the income limits for household size by increasing or decreasing the four-person household income limit by 10 percent for each additional (or fewer) person in the household. Therefore, the income limit for a two-person household is 80 percent of the four-person household limit, while the limit for a six-person household is 120 percent of the four-person household limit. See Table 2.

Income limits in Tables 1 and 2 are in effect for the remainder of Fiscal Year 2004 (through September 2004). HUD will publish the new AMI, generally in the following Spring. Applicants' projects must meet whatever income limits are in effect at the time of funding, and must subsequently adjust income and rent limits to maintain ongoing compliance with program regulations as new limits are published.

Table 2: HPTF Income Limits (2004)

AMI	85,400							
Maximum Homebuyer Tenant Income	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
Extremely Low (0 – 30% of AMI)	17934	20496	23058	25620	28182	30744	33306	35868
Very Low (31 - 50% of AMI)	29890	34160	38430	42700	46970	51240	55510	59780
Low (51 - 80% of AMI)	47824	54656	61488	68320	75152	81984	88816	95648
HPTF Rent Limits								
		Extremely Low (0 - 30% of AMI)		Very Low (31 - 50% of AMI)		Low - (51 - 80% of AMI)		

Efficiency (or bed in congregate facility)		448		747		1196		
1 Bedroom		512		854		1366		
2 Bedroom		576		961		1537		
3 Bedroom		705		1174		1879		
4 Bedroom		833		1388		2220		
5 Bedroom		897		1495		2391		

Note that the Housing Act of 2002 requires:

- At least 40 percent of HPTF monies disbursed in a given fiscal year benefit extremely low-income households – those at 0-30 percent of the area median income;
- At least 40 percent of HPTF monies disbursed in a given fiscal year must benefit very low-income households – those at 31-50 percent of the area median income; and
- The remainder of HPTF can benefit low-income households – those at 51-80 percent of the area median income.

B. Strategic Neighborhood Investment Areas and Neighborhood Revitalization Strategy

Areas: Although DHCD will accept proposals for eligible projects throughout the city, the Department will concentrate 65 percent⁷ of our funding in 13 areas that the Mayor has designated as Strategic Neighborhood Investment Areas, as well as the two Neighborhood Revitalization Strategy Areas (NRSAs). Also of particular geographic importance to DHCD is the Metropolitan Police Department (MPD) designated 14 Hot Spot areas. DHCD encourages the submission of proposals for development of projects within the HUD designated NRSA to assist DHCD in meeting its requirements of job creation and housing development. DHCD requested the NRSA designations to address economic development needs of these areas. The strategic neighborhood investment areas are:

- Anacostia
- Bellevue
- Columbia Heights
- Congress Heights
- Georgia Avenue, NW
- H Street, NE
- Howard University / LeDroit Park
- Minnesota / Benning
- Near Southeast
- Pennsylvania Avenue / Fairlawn
- Shaw
- Takoma Park
- Trinidad / Ivy City

The NRSAs are:

- Georgia Avenue, N.W.⁷
- Carver/Langston Terrace-Ivy City-Trinidad⁸

A map for each area is provided in the RFP Reference Guidebook.

⁷ Pending the receipt of sufficient viable applications to achieve this level of award.

⁸ Georgia Avenue, NW, has a dual designation as both an NRSA and a Strategic Neighborhood Area with the same boundaries.

⁹ This NSRA has different boundaries than the Trinidad / Ivy City Strategic Neighborhood Area. See the RFP Reference Guidebook.

C. Federal Low Income Housing Tax Credits: A summary of the LIHTC Program is contained in the RFP Reference Guidebook. The LIHTC Program Guide and the Qualified Allocation Plan are provided separately.

D. Project Types, Priorities and Uses of Funds: The funding sources may be used for a variety of projects. The most common eligible project types include:

- Preservation of Expiring, Federally Subsidized, Affordable Rental Housing
- Special Needs Housing
- Elderly Housing
- New Construction of Affordable Rental or For-Sale Housing
- Substantial Rehabilitation of Affordable Rental or For-Sale Housing
- Community Facilities

Residential projects must contain five (5) or more units to be eligible for funding. All housing assisted under this RFP must meet the federal and local housing codes and the appropriate income guidelines for beneficiaries.

4.1. Priorities: Although the above projects are eligible, DHCD will give priority to certain types of projects:

- Projects in one of the 13 Strategic Neighborhood Investment Areas and the two NRSAs.
- Preservation of affordable housing opportunities for very low- and extremely low-income households in buildings with expiring federal subsidies.
- Homeownership projects
- Affordable rental housing development for extremely low-income households.
- Commercial and community facilities that serve low-income communities.
- Façade projects and commercial/retail building development in strategic investment areas or that leverage resources committed through the ReStore DC initiative.
- Projects designated by the Metropolitan Police Department (MPD) as one of the 14 “Hot Spots” identified in the attached as Section 2. Exhibit – E of the Reference Guidebook.
- Projects, which provide high-speed Internet access to units at no cost to residents.

DHCD’s resources are anticipated to be allocated to meet the stated priorities. The distribution of available funding for these priorities is shown in Table 3.

Table 3: Proposed DHCD FY 2005 Spending Plan

Type of Project	HPTF	CDBG/HOME	LIHTC
Elderly	\$ 4 million	\$1.0 million	\$.5 million
Special Needs	\$ 4 million	\$.5 million	\$.25 million
Preservation of Exp. Fed. Subs.	\$ 7 million	\$2.0 million	-
Rehab/New Construction (Rental)	\$ 5 million	\$2.0 million	\$.75 million
Homeownership	\$ 5 million	\$1.5 million	-
Community Facilities	-	\$1.5 million	-
Total	\$25 million	\$8.5 million	\$1.5 million

4.2. Types and Uses of Financing, and Eligible Costs: Financing may be used for virtually any development finance purpose including, but not limited to:

- Acquisition
- Construction financing
- Interim financing
- Permanent financing
- Eligible predevelopment costs
- Eligible hard and soft costs

Financing may not be used for:

- Project-based rental assistance to tenants
- Tenant-based rental assistance to tenants
- Down payment assistance
- Security or utility deposits
- Developer Fees
- Social services
- Capacity building
- Tax liabilities nor any other District or federal obligations
- Operating and maintenance expenses

E. Types of Investment: DHCD may provide investment in projects in the forms of loans and grants. DHCD will have the sole discretion to determine the type of investment it will make in a project.

F. Monitoring Requirements. In accordance with Federal and District regulations, DHCD is required to monitor the use of the funds distributed under this RFP. Applicants receiving financial assistance from DHCD for projects could be subject to any and/or all of the following:

Table 4: Monitoring Elements, Guidelines and/or Requirements

<ul style="list-style-type: none"> • Community Development Block Grant (CDBG), including all applicable Office of Management and Budget (OMB) Circulars, such as A-110, A-122, and A-133 • HOME Investment Partnerships Program (including long-term affordability requirements) • Housing Production Trust Fund regulations (including continuous affordability requirements) • Environmental Reviews - 24 CFR Part 85 • Affirmative Action Program (Local Small Disadvantaged Business Enterprises – Mayor’s Order 85-85) • Section 3 - (24 CFR Part 135) 	<ul style="list-style-type: none"> • First Source Employment Agreements • Registration with DC Apprenticeship Council • Americans with Disabilities Act of 1990 • Lead Safe Housing Rule (Lead Based Paint) • Section 504 of Rehabilitation Act of 1973, as amended • Uniform Relocation Act or District of Columbia Relocation Assistance provisions (10 DCMR Chapter 22) • Freedom of Information Act • Davis Bacon and related Acts • Conflict of Interest (24 CFR § 570.611 and 24 CFR §§ 84.42 and 85.36) • Fair Housing (24 CFR Part 14 et al) • LIHTC (§ 42 of IRS Code of 1986)
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DHCD requires each applicant to sign a Monitoring Certification indicating the agreement to comply with the regulations, to be subject to DHCD monitoring for compliance and to accept any applicable penalties for noncompliance. The applicant is responsible for any and all costs associated with implementing and maintaining records to comply with and allow for DHCD monitoring. The Monitoring Certification Form is included in the application.

IV. Eligibility Guidelines

To be eligible for funding, applicants and proposals must meet the following four criteria:

1. Nonprofit organizations and for-profit developers may apply for funding.
2. Project clients/beneficiaries must reside in the District and must meet the appropriate income levels as described on pages 5 and 6.
3. Project activities must meet the eligibility requirements of the funding source through which they receive financing. See the [RFP Reference Guidebook](#).
4. Projects must meet the Basic Eligibility Requirements shown in Section V below to be accepted for evaluation.

V. Eligibility Requirements - Summary

Applicants must submit documentation that fully demonstrates their compliance with the basic eligibility requirements shown below in Table 5, **at the time of application**. This constitutes the initial screening process. Any applications lacking such documentation will be returned to the applicant without further consideration. See **Appendix A** for details of the **Basic Eligibility Requirements**.

Table 5: Basic Eligibility Requirements

All must be met at time of initial application	
1. Site control.....	yes/no
2. Basic regulatory eligibility	yes/no
3. Good standing.....	yes/no
4. Creditworthiness	yes/no
5. Readiness to proceed.....	yes/no
6. Completeness of application.....	yes/no

V. Evaluation Criteria for Scoring – Summary

Once an application has been screened for basic eligibility, there are two tiers of criteria by which applications will be evaluated and scored:

1. Threshold criteria. Applications that pass the basic eligibility screening will be evaluated against the threshold criteria, to determine if the project merits further consideration. The threshold criteria examine the project’s basic feasibility in terms of design, site, financial feasibility, and development team capacity. Projects must score at least 25 of a possible 45 points to be considered for further consideration.
2. Ranking criteria. If an application has met the minimum threshold score of 25 points under the threshold criteria, it will be evaluated against the ranking criteria. These criteria focus on public benefit, e.g., effective use of funds, income targeting, geographic targeting, and community impact. The application must accumulate sufficient points from both the threshold criteria and the ranking criteria to be considered for funding against the amount of funds available. Applications that do not score sufficient overall points will be rejected.

Both sets of criteria and associated points are listed below in Table 6. Full detail on the point distribution is shown in **Appendix B1 – B6**.

Table 6: Evaluation Criteria and Assigned Points

Threshold Criteria – applicant must score at least 25 points of the 45 point total		Maximum Points
1. Appropriate Site and design.....	15	
2. Strong development team	15	
3. Financial feasibility.....	<u>15</u>	
		45
Ranking Criteria – 105 points total		Maximum Points
1. Economic Opportunity	25	
2. Efficient use of public resources.....	8	
3. Leveraging	8	
4. Coordination with DCHFA or DCHA	4	
5. Income targeting	9	
6. Retention	9	
7. Geographic targeting.....	9	
8. Community impact.....	25	
9. Preservation of Housing w/expiring Section 8	<u>8</u>	
		105
Projects will be ranked/reviewed against similar type projects		
Subtotals		150
Nonprofit organizations will be awarded 10 bonus points		<u>10</u>
-for significant roles. (i.e. developer, co-developer, property manager in a project.)		
Total with Bonus:		160

VII. Timing of Awards and Underwriting

DHCD anticipates the announcement of applicant selection⁹ for the Underwriting Phase in October 2004. DHCD will verify each project's satisfaction of the eligibility requirements, and an Independent Review Team will score it against the threshold and ranking criteria.

Applicants whose projects: a) meet the eligibility requirements; b) score at least 25 points under the threshold criteria; and c) score sufficient points overall to be ranked will be recommended to DHCD for funding. DHCD will conduct the final review of applications and will select the applications for funding against the funds available. Once notified of the selection for funding, and scheduled "kick-off" meeting has been held, applicants will have 30 days to submit a best and final application. DHCD will conduct due diligence, environmental and other regulatory reviews and verify all representations made in the application, and will establish final underwriting terms including (where applicable) loan terms, interest rates, security and collateral requirements and other covenants. DHCD will make its final determination regarding underwriting within 75 - 90 days of submission of the final application. Commitments from other funding sources must be secured prior to initial loan closing. For details on the funding process, refer to the DFD Financing Application Submission Package.

Timing of Awards after submission of proposal (9/03/04)

Announcement of Selection for
Underwriting Phase: 30 days
(10/04)

Applicant Preparation of
Final Submission:....30 days after
"kick-off and site visits have been
held

DHCD/Applicant Acceptance Letter
of Commitment:.... 85 – 90 days

VIII. Application Guidelines

Application guidelines and requirements are identified below. Detailed guidelines and requirements are contained in the DFD Financing Application Submission Package. The application package also contains an overview of the DHCD funding process.

- 1. Applying for Multiple Projects:** Applicants may apply for funding for more than one project. Applicants may submit one application per project or they may submit one application for multiple projects; however, if the single application is rejected, all the projects in it are rejected.
- 2. Application Submission:** Applications must be received at DHCD on or before **4:00 PM September 3, 2004**. Applications must be delivered to DHCD, Development Finance Division, 801 North Capitol Street, N.E., 2nd Floor Receptionist's Desk, Washington, DC 20002. **Please note that no applications will be accepted after the 4:00 PM deadline.**

⁹ The announcement of selection means that the applicant has been selected to advance to the Underwriting Phase. It does not mean that an applicant is assured of getting its request funded, which is dependent on the outcome of the Underwriting Phase.

DHCD will use a time/date stamp clock to register the applications and will monitor the timeliness of applications received.

Applicants must submit five signed copies of the application – an original, in a three ring binder (with each exhibit tabbed), and four stapled copies. DHCD will not make copies for applicants. Application documents, other than maps and drawings, must be submitted using a 12 point type size and on 8 ½ x 11 paper.

An individual authorized to obligate the applicant must sign the Application Summary Sheet. By signing the application, the authorized person is also attesting to the truthfulness of the information supplied in the application. Unsigned applications will not be accepted. The Certification documents, including Contract Affidavit, Qualifications Statements, and Monitoring Certification Forms (all in “Exhibits” of Application Submission Package) must also be signed.

3. ***Project Award Provisions:*** All awards are subject to the applicable federal and District of Columbia guidelines and regulations applying to those funds. All awards are subject to the regulatory requirements referenced, and to the availability of District of Columbia or federal funds.

IX. Pre-Proposal Conferences

1. The first Pre-Proposal Conference will be held on July 15, 2004, from 6:00 p.m. - 8:00 p.m. at the Marshall Heights Community Development Corporation - 3939 Benning Road, N.E., Washington, D.C. 20019
2. The second Pre-Proposal Conference will be held at:
Mount Airy Baptist Church
1100 North Capitol Street, NW
Date: July 16, 2004 - Time: 9:00 a.m. – 11:00 a.m.
3. The third Pre-Proposal Conference will be held at:
DC Department of Housing and Community Development
801 North Capitol Street, NE
9th Floor
Washington, D.C. 20002
Date: July 22, 2004 - Time: 6:00 p.m. – 8:00 p.m.

Please call (202) 442-7200 if you have any questions about the outreach meetings.

Questions regarding the RFP should be directed to:

E-mail address: rfpquestions@dc.gov

or

RFP Question Hotline: 202-442-7281 (voicemail)

Questions received before the Pre-Proposal Conference will be addressed at the Conference. All questions raised at the Pre-Proposal Conference will be distributed in writing/e-mail to all participants within 48 hours of receiving the transcript.

X. Application Components

The following components, in the order listed, *with all exhibits or attachments*, must be included in the Application Submission Package (APS). All application forms and attachments are contained in Section 6 of this package. Also required are (**Appendix 1** - Project **Narrative**, **Appendix 2A** - Introduction to the Feasibility Study, **Appendix 2B** - Feasibility Study, **Appendix 3** - Business Plan for Community Centers and Special Needs Projects; and **Appendix 4** - Space Utilization Table).

DFD Financing Application (Form 202)

- A. Application with Cover Page and Authorized Signatures
- B. General Information – (***Narrative and Form 202**)
- C. Development Team Information
- D. Community Revitalization Information
- E. Project Income (rental projects and community facilities)
- F. Project Expenses
- G. Uses of Funds
- H. Sources of Funds
- I. Project Summary Information
- J. 20-Year Operating Proforma
- K. Signature Forms
- L. Monitoring Certification****
- M. Feasibility study*****
- N. Business Plan*****
- O. Space Utility Plan*****
- P. Form 212 and 215 ******
- Q. Low Income Housing Tax Credit (if Applicant is applying for LIHTC).*******

Management Agent's Qualifications – Rental (**Form 209**) and Summary Cost Estimate (*****Form 212**)

Exhibits (with attached forms) and Certifications documents, including Contract Affidavit, Qualifications statements, and Monitoring Certification Forms and Lead Safe Housing/Fair Housing.

***Note 1:** A Narrative is required with all proposal submissions. A narrative format is included as Appendix 1 of the Application Submission Package.

****Note 2:** An individual authorized to obligate your organization must sign the Application Cover Page. By signing the application, the authorized person is also attesting to the truthfulness of the information supplied in the application. The "Monitoring Certification Form" must also be signed. Unsigned applications will not be accepted.

***** Note 3:** Proposal seeking funding for community centers and special needs housing must complete the Feasibility Study, Business Plan and Space Utilization Plan . Examples of these documents are contained in the Application Submission package.

******Note 4:** The Summary Cost Estimate (Form 212) is Required As Part of the RFP Preliminary Application For Funding; and the Detailed Cost Estimate (Form 215), included with the Application, must be completed by the final application deadline for projects selected for underwriting. It is not required as part of this RFP Preliminary Application for funding.

*******Note 5.** Proposals or Projects requiring Low Income Housing Tax Credits (LIHTC) will be subject to revisions to the Qualified Allocation Plan, which will be published not later than August 15, 2004.

APPENDIX A – BASIC ELIGIBILITY REQUIREMENTS

Must Meet All Requirements at Time of Application	
Site Control Applicant has site control in the form of a current deed, fee simple ownership, lease option (lease term must be equal or greater than the proposed financing term), or a contract of sale.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Basic Regulatory Eligibility Applicant must meet the appropriate regulatory requirements for eligibility (e.g., National Objective (Public Benefit) and Eligible Activities for CDBG, HOME and HPTF) Must Meet All Requirements at Time of Application (cont'd)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Good Standing Applicant ¹⁰ - and project – are not delinquent on city obligations ¹¹ , including but not limited to, income taxes, real estate taxes and water and sewer charges. In the past five years, the applicant has not been a party to chronic housing code violations, excessive tenant complaints, or substantial judgments. Applicant is not barred by US Department of Housing and Urban Development (HUD) or DHCD. Members of the development team, e.g. applicant, developer, owner, etc. must not be suspended, voluntarily or involuntarily excluded from participation in any federal or District Programs. At time of application, the applicant/developer must have a certificate of good standing from the Department of Consumer and Regulatory Affairs (DCRA), and have no outstanding Federal or District obligations and/or liability or any other type of indebtedness, due to the District of Columbia including prior DHCD (or formerly lease payments or defaulted grant(s)) from the Office of Business and Economic Development loan obligations. There shall be no exceptions; violators shall be removed from consideration under the current RFP at any time this is discovered. If it is determined, during any stage of the review, underwriting or funding process, that the applicant or any business affiliate has any outstanding indebtedness to DHCD or the District, the applicant shall be removed from further consideration in this funding round.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Creditworthiness / District Debts Applicant ¹² has a satisfactory credit report: No member of the development team acting in the role of sponsor, developer, guarantor, or owner has had chronic past due accounts, substantial liens or judgments, foreclosures or bankruptcies within the past five years; nor has defaulted on any obligation to the District of Columbia within the past ten years.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Readiness to Proceed Applicant must show readiness to begin construction within 3 months of date of DHCD funding award.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Completeness of Application	

¹¹ Any member of the development team acting in the role of sponsor, developer, guarantor, owner, or consultant

¹² Any member of the development team acting in the role of sponsor, developer, guarantor, owner or consultant.

¹³ For the Applicant, this means any City obligation, whether related to the proposed project or not.

APPENDIX B - EVALUATION CRITERIA FOR SCORING: THRESHOLD AND RANKING

Applications that do not meet the minimum threshold criteria of 5 points for each category will score 0 points for that category.

Threshold Criteria – 25 points minimum, 45 points maximum; must score at least 5 of 15 points in each major category	
<p>Appropriate Site and Design</p> <p><u>Appropriate Site</u>: proposal must adequately address topography, soil, and grade issues, environmental hazards, zoning requirements, and other special site conditions.</p> <p><i>Scoring Method</i>:</p> <ul style="list-style-type: none"> <input type="checkbox"/> 7 = The applicant has completed a Phase 1 site analysis. The applicant has formulated a satisfactory plan to deal with any issues raised through those studies. The applicant has addressed zoning and historic preservation issues and has received approval from the Board of Zoning Adjustment for necessary changes. <input type="checkbox"/> 5 = Applicant has completed a historical review of property uses and provided a minimal assessment of site and environmental issues (the Environmental Assessment Exhibit of the application). Applicant has identified any issues and budgeted for associated costs. The applicant have identified zoning and historic preservation issues and is scheduled to appear before the Board of Zoning Adjustment. <p><u>Appropriate Design</u>: proposed project design must blend with the neighborhood, be structurally sound and cost efficient, and meet the needs of the tenants with appropriate amenities.</p> <p><i>Scoring Method</i>:</p> <ul style="list-style-type: none"> <input type="checkbox"/> 8 = Applicant has completed schematic designs. The proposal includes site plans, elevations, and floor layouts. For rehab projects, the proposal does not need site plans or elevations but does need existing layouts and proposed layouts. The design is consistent with neighborhood design characteristics. Amenities and units are appropriate for the tenant population. The project offers sufficient parking. The project has a defined and realistic cost summary schedule. (Form 212) <input type="checkbox"/> 5 = Applicant describes project amenities and unit sizes both which are appropriate for the proposed development program and tenant/homeowner population. The project is consistent with neighborhood design characteristics. Parking is adequate. There is a cost summary and schedule. (Form 212^o) 	15
<p>Strong Development Team</p> <p>Development teams demonstrating a stronger record of capacity will receive more points. Note: If the developer has received funding from DHCD, s/he must show successful repayment and compliance history.</p>	15

^o NOTE: The threshold and ranking criteria are applicable for all projects requesting financing. Where appropriate, additional criteria are noted for community/commercial projects.

Threshold Criteria – 25 points minimum, 45 points maximum; must score at least 5 of 15 points in each major category	
<p>Scoring Method:</p> <ul style="list-style-type: none"> ❑ 15 = The developer must demonstrate a successful track record in projects of similar size, scale and complexity. The development team includes the appropriate members: architect, development consultant, construction management and/or general contractor, accounting, financial, legal, syndication and property and/or asset management team. Members of the development team must be able to demonstrate and verify a successful performance history in projects of similar type and scale. The development team must also demonstrate the financial capacity to fulfill their respective responsibilities. No members of the development team may have defaulted on any obligation to the District of Columbia within the past 10 years. If the proposed project includes supportive services, a qualified service provider must be a member of the development team. ❑ 10 = The developer must demonstrate a successful track record in projects of similar size, scale and complexity. Most of the members of the development team are experienced and demonstrate successful performance history and financial capacity in projects of similar size, scale and complexity. No members of the development team may have defaulted on any obligation to the District of Columbia within the past 10 years. If the proposed project includes supportive services, a qualified service provider must be a member of the development team. ❑ 5 = The members of the development team must demonstrate successful track records in projects of similar size and/or scope. No members of the development team may have defaulted on any obligation to the District of Columbia within the past 10 years. If the proposed project includes supportive services, a qualified service provider must be a member of the development team. 	
<p>Financial Feasibility</p> <p><i>Scoring Method:</i></p> <ul style="list-style-type: none"> ❑ 15 = There is a complete set of financial documents to support the financing request, the application contains a realistic set of sources and uses, pro forma and operating budget. (DHCD subsidy should be included in the sources and uses). Letters of commitment from other participating financial sources are included. The uses are appropriate for the project and the requested financing source. ❑ 10 = There is a complete set of financial documents to support the financing request, the application contains a realistic set of sources and uses, pro forma and operating budget. (DHCD subsidy should be included in the sources and uses). Letters of intent/interest from other participating financial sources are included. The uses are appropriate for the project and the requested financing source. ❑ 5 = There is a complete set of financial documents to support the financing request; the application contains a realistic set of sources and uses, proforma and operating budget. (DHCD subsidy should be included in the sources and uses). The uses are appropriate for the project and requested funding source. 	15

Ranking Criteria – 105 points maximum
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Economic Opportunity

It is the policy of the District of Columbia government and the Department of Housing and Community Development to provide maximum economic opportunities for District of Columbia businesses and residents whenever the District of Columbia invests public dollars. To foster this policy the Department of Housing and Community Development (DHCD) is utilizing the following scoring point's allocation opportunity for those applicants whom provide the maximum economic opportunity for District residents and businesses.

Economic Opportunity – 25 points (maximum)	
Use of District of Columbia certified Local Small Disadvantaged Business Enterprises (LSDBE).	
The District of Columbia encourages the maximum utilization of District of Columbia certified Local Small Disadvantaged Business Enterprises (LSDBE) in the development and construction of projects where DHCD is investing resources. Sponsors and developers are encouraged to utilize District certified LSDBEs in all phases of the development process. Sponsors and developers may contact Mr. Andre Banks, of the Office of Local Business Development, at (202) 727-3900 for information on District of Columbia certified LSDBEs.	

LSDBE participation in projects	
District of Columbia certified LSDBE in 50 or more percent of all development construction and professional opportunities.	10
District of Columbia certified LSDBEs participation in 20 - 49 percent Of all available development, construction, and professional opportunities	5
District of Columbia certified LSDBEs participation in 1 – 19 percent of all available development, professional and construction opportunities.	2

Use of District of Columbia based business	
Consistent with the District of Columbia's policy of providing maximum economic opportunity to District residents and businesses, DHCD will award points during the review process for the maximum utilization of District based businesses in all professional, business, construction, development and based opportunities.	
Use of District of Columbia based certified LSDBE on all available development, construction, and professional opportunities.	8
Use of District of Columbia based business in all available development, construction and professional opportunities.	3

Hiring of District Residents	
The District of Columbia encourages the hiring of District residents in all projects that the District of Columbia invests. The applicable federal and local regulations will apply to all DHCD investments.	
Sponsors and developers have a local hiring plan that has been approved by DHCD and have executed a first source agreement with the Department of Employment Services.	7
Sponsors and developers have submitted a local hiring plan to DHCD and DOES.	3
Sponsors and developers have included a local hiring plan with their application.	1

Applicants must include all appropriate documentation demonstrating their justification for points under this section.

Ranking Criteria – 105 points maximum (Continued)	
<p>Efficient Use of Public Resources</p> <p>DHCD’s per-unit subsidy is minimized.</p> <p>Scoring Method: Scoring is based only on DHCD-assisted units in the project, and projects will be assessed relative to each other. Subsidy per unit is determined by dividing the DHCD investment by the DHCD assisted units.</p> <ul style="list-style-type: none"> <input type="checkbox"/> 8 = \$5,000 - \$10,000 per unit of subsidy <input type="checkbox"/> 6 = \$10,001 - \$25,000 per unit <input type="checkbox"/> 3 = \$25,001 - \$40,000 per unit <input type="checkbox"/> 1 = \$40,001- \$50,000 per unit <input type="checkbox"/> 0 = Over \$50,000 per unit <p><i>NOTE: This is not applicable to community and commercial facilities.</i></p>	8
<p>Leveraging</p> <p>Private and or public non-DHCD funds as a percentage of total sources are maximized. DHCD is required to leverage its investment in projects.</p> <p><input type="checkbox"/> <i>Scoring Method:</i> Scoring is based on DHCD- investment in a project. The leveraging formula will deduct the total DHCD investment from the total development cost and divide the total DHCD investment by the remaining total development cost.</p> <ul style="list-style-type: none"> <input type="checkbox"/> 8 = Leverage ratio of 5 or greater <input type="checkbox"/> 5 = Leverage ratio of 3-4.99 <input type="checkbox"/> 2 = Leverage ratio of 2-2.99 <input type="checkbox"/> 1 = Leverage ratio of 1-1.99 	8
<p>Coordination with DCHFA and/or DCHA or other District Agencies</p> <p>DHCD will award 4 points under this criterion for projects that combine resources (subsidy funding, financial investment, land, real property, etc.) from DHCD and the D.C. Housing Finance Agency and/or the D.C. Housing Authority or other District agencies.</p>	4

<p>Income Targeting</p> <p>Projects offering more units for lower-income households will receive more points. Project income limits must first meet the minimum funding source requirements. Scoring is based on total units subsidized/units in the project - by multiplying the unit value by the percentage of units scoring that unit value:</p> <p><u>Unit Value</u></p> <ul style="list-style-type: none"> ❑ 9 = Units @ 30% of AMI ❑ 7 = Units @ 50% of AMI ❑ 6 = Units @ 60% of AMI ❑ 4 = Units @ 80% of AMI ❑ 3 = Units @ 81 – 100% of AMI (for mixed-income projects) ❑ 2 = Units @ > 100% of AMI (for mixed-income projects) <p>Sample scoring:</p> <ul style="list-style-type: none"> • A building that is 100% affordable to families at 30% of AMI receives 9 points (100% x 9). • A building that is 50% affordable to families at 30% of AMI and 50% affordable to families at 80% of AMI receives 6.5 points (50% x 9 + 50% x 4). <ul style="list-style-type: none"> • A building that is 40% affordable to families at 60% of AMI and 60% affordable to families at 110% of AMI receives 3.6 points (40% x 6 + 60% x 2). <p>NOTE: Fractional points will be awarded.</p>	<p>9</p>
<p>*For community and/or commercial facilities the following applies:</p> <p>Income targeting – Define the target population that the proposed project will serve. Scoring is based on projects that provide services to residents in various income ranges.</p> <ul style="list-style-type: none"> a) 30 – 50 percent of area median 9 points 51 – 80 percent of area median 5 points 81 – 100 percent of area median 3 points b) Fractional point will be awarded for projects that serve multiple income groups. The points will be determined by the percentage of the target populations served x the points allowed – i.e. <ul style="list-style-type: none"> 30% served of 30% AMI = .3 x 9 = 3 points 70% served x 100% AMI = .7 x 3 = 2.1 points/Total points = 5.1 points 	

<p>Retention</p> <ul style="list-style-type: none"> ❑ 9 = Affordability for 31-40 years ❑ 7 = Affordability for 21-30 years ❑ 5 = Affordability for 11-20 years ❑ 3 = Affordability for 5-10 years <p>Applicant should be aware that HOME and HPTF carry statutory minimum retention periods.</p> <p>For community and/or commercial facilities, the length of time that the proposed use is committed will be substituted here.</p>	<p>9</p>
<p>Geographic Targeting</p> <p>Projects in designated investment areas that fulfill a recognized planning goal and are consistent with defined or published plans will receive the points under this criterion.</p> <p><i>Scoring Method:</i></p> <ul style="list-style-type: none"> ❑ 9 = A project within one of the strategic neighborhood investment areas or NRSAs, is consistent with defined and/or published documentation, meets a defined community priority, and has documented community support. ❑ 3 = A project within an Enterprise Community or Zone is consistent with defined and/or published documentation, meets a defined community priority and has documented community support. 	<p>9</p>
<p>Community Impact</p> <ul style="list-style-type: none"> ❑ Neighborhood Safety = A project within the 14 Hot Spot areas. = 5 points ❑ Neighborhood Stabilization: (e.g., redevelopment of abandoned buildings) (e.g., redevelopment of blight near schools). = 5 ❑ No Cost High-speed internet access in the living area of every unit. = 5 ❑ Over 50% of projects are +3 bedrooms. = 5 ❑ Serving elderly and/or special needs. = 5 	<p>25</p>
<p>Preservation of Housing w/expiring Section 8</p> <ul style="list-style-type: none"> ❑ 8 = Projects that preserve housing with expiring Section 8. <p><i>*This is not applicable to community and commercial projects.</i></p>	<p>8</p>